



Harold Kahn, Ed.D., Superintendent

Spreckels Union School District

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March 28, 2001

Honorable Robert O'Farrell
Presiding Judge of the Superior Court – 2001
Grand Jury – County of Monterey
Salinas, CA 93902

Dear Judge O'Farrell:

RE: RESPONSE TO THE 2000 MONTEREY COUNTY CIVIL GRAND JURY

I am writing in response to the Final Report of the 2000 Monterey county Civil Grand Jury, regarding the use of California State Lottery funds in Monterey County.

As noted in the background section of the report on page 23 it states, "...Beyond stating that funds be used exclusively for education, the 1984 law only specifies that no moneys should be spent for acquisition of real property, construction of facilities, financing of research, or any other non-instructional purposes. While the California Department of Education "recommends" that lottery funds be used for non-recurring expenses, the actual use is left up to the local administrators and elected school boards, since each district may have different needs.

Proposition 10, which became law on March 7, 2000, did state that 50% any increase above the 1997-98 level of lottery funding be spent on instructional materials.

The Grand Jury report also states on page 24 that, "at the time of the Grand Jury's survey, there was no evidence that any lottery education reserves were being spent for prohibited purposes in Monterey County.

To comply with Penal Code Section 933.5, our official response to the recommendations on page 25 of the 2000 Monterey County Grand Jury is:

Recommendation #1:

The County Superintendent and all Monterey County school districts receiving revenue from the California Lottery, verify that they have established and are maintaining separate accounts for the receipt and expenditure of these funds as required by Section 8880.5 of the California Government Code.

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District's Response:

This recommendation has been implemented since 1984, and has been certified each year by our independent CPA audit.

Recommendation #2:

The County Superintendent and all Monterey County school districts review their accounting practices to facilitate tracking and compliance with the new requirements of California's Cardenas Textbook Act of 2000, as defined in Section 8880.4 of the California Government Code.

District's Response:

The recommendation was implemented immediately upon the passage of Proposition 20 including funds received during the 1999-2000 school year identified and separated from General Funds and other Lottery Funds by the use of sub-fund accounting. All restricted lottery funds are used for Instructional Materials.

We trust that his response satisfies the Grand Jury's requirements; however, feel free to contact me at 455-2550 ext. 16, if additional information is needed.

Sincerely,

A handwritten signature in black ink that reads "Harold Kahn". The signature is written in a cursive style with a large, stylized 'H' and 'K'.

Harold Kahn, Ed.D.
Superintendent

SAS

cc: Susan Balesteri – Foreman 2000
Dr. Bill Barr, County Superintendent of Schools
Board of Trustees – Spreckels Union School District